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ABSTRACT

In six policy areas, states can better equip rural community colleges to serve their communities. In the area of economic and community development, states can use rural community colleges to promote community development efforts and service learning and to provide small business assistance and entrepreneurship education. States can improve access to education by keeping community college costs affordable; empowering colleges to serve a diverse student population; ensuring colleges have adequate staff to provide counseling and support services; helping rural students overcome the barrier of distance; supporting partnerships between community colleges and K-12 schools to prepare low-income youth for college; and funding developmental education, literacy, and basic skills instruction. Concerning workforce preparation, states can designate community colleges as presumptive deliverers of workforce education and training, mandate collaboration among workforce agencies, fund noncredit workforce instruction, and develop policies that enable welfare recipients and the working poor to attend community colleges. In the area of technology, states can ensure that rural areas have an affordable telecommunications infrastructure and provide funding to small, rural colleges to maintain their technological capacity. In funding matters, states can provide base funding to small colleges and those in low-wealth districts, help resource-poor colleges initiate new programs, and facilitate intercollegiate partnerships for greater economies of scale. Concerning governance, states can give state and local boards appropriate powers for shared governance; ensure that board membership reflects community diversity; encourage collaboration among colleges, universities, and K-12 schools; and place community and technical colleges in their own state system. Congressional delegations from states with tribal colleges should make adequate federal funding for tribal colleges a high priority, and states should reimburse tribal colleges for the education of non-Indian state residents. Sidebars describe successful initiatives undertaken by rural community colleges. (Contains 28 endnotes.) (TD)

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POLICY PAPER

Toward Rural Prosperity

A State Policy Framework in Support of Rural Community Colleges

by J. Parker Chesson, Jr., and Sarah Rubin

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Significant portions of rural America are in trouble. For some parts of rural America, the slow slide to no longer being viable — economically, socially, or politically — is within sight.

Karl Stauber
President, Northwest Area Foundation

Rural community colleges can bring together the institutional, human, and capital resources needed to jump-start chronically distressed rural economies.

George B. Autry
Founding President, MDC Inc.

Today's economy is leaving much of rural America by the wayside. Regions that depend on manufacturing and natural resource industries are losing jobs rapidly. In an era when prosperity increasingly depends on a highly skilled workforce, rural communities are held back by low levels of educational attainment. And in many places, poor access to telecommunications limits economic competitiveness.

In the late 1990s, several states created blue ribbon panels to draw attention to rural problems and propose recommendations to ensure rural communities' participation in an era of economic growth. These panels highlighted the need for homegrown, community-based economic development strategies. Above all, they emphasized the vital importance of education, or human capital development, as the foundation for rural prosperity.[1]

There are three major public enterprises that are engines for developing human capital in rural America: public schools, land grant universities, and community colleges. This paper focuses on the latter, broadly defined to include all postsecondary, sub-baccalaureate institutions with a local focus — community and technical colleges, tribal colleges, and some university branch campuses.

Rural community colleges have great potential — tapped in some communities, still latent in others — to be catalysts for rural revitalization.[2] This paper offers a framework to guide state leaders in strengthening these colleges as agents of both human capital development and community development. It urges states to examine their support for rural community colleges in six policy areas: economic and community development; access to education; workforce preparation; technology; funding; and governance.

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Summary of Recommendations to States

Economic and Community Development

- Use rural colleges as civic conveners for community development efforts.
- Promote and reward community service and service learning.
- Include rural colleges as partners in regional development initiatives, including sectoral strategies.
- Use community colleges to provide small business assistance and entrepreneurship education.

Access to Education

- Keep community college tuition and fees affordable.
- Empower colleges to serve a diverse student population.
- Ensure colleges have adequate staff to provide counseling and support services.
- Help rural students overcome the barrier of distance.
- Support partnerships between community colleges and K-12 schools to prepare more low-income youth for college.
- In state funding formulas, include sufficient resources for developmental education, literacy, and basic skills instruction.

Workforce Preparation

- Designate community colleges as the presumptive deliverer of workforce education and training.
- Mandate collaboration among workforce agencies.
- Fund noncredit workforce instruction.
- Develop state policies that enable welfare recipients and the working poor to enhance their employability through education and training at community colleges.

Technology

- Ensure that rural areas have the telecommunications infrastructure required to support distance education and high-speed Internet access.
- Give responsibility to a public or quasi-public agency for extending affordable Internet access to rural communities.
- Ensure that small, rural colleges have the necessary resources to maintain their technological capacity.

Funding

- Provide a "floor" of base funding or another means to support fixed costs at small colleges.
- Level the playing field for colleges in low-wealth tax districts.
- Assist colleges in low-wealth districts with capital financing.
- Provide assistance to help resource-poor colleges initiate special projects or develop new programs.
- Facilitate partnerships among small, rural colleges for greater economies of scale.

Governance

- Give state and local boards appropriate powers for shared governance.
- Ensure that board membership reflects the diversity of the population.
- Use state oversight of community colleges, universities, and K-12 to encourage collaboration and "seamlessness."
- Place community and technical colleges in their own state system, separate from universities.

Any policy framework for community colleges must recognize that educational policy is primarily a state prerogative and that community colleges are primarily local institutions. The missions, governance, and operation of community colleges will always differ from state to state and from community to community. Consequently, this paper offers recommendations that are broad enough to apply to most states and flexible enough to adapt to varying historical and political cultures. It provides a basis for assessing current state policies and developing strategies to make rural community colleges catalysts for greater prosperity in rural America.

In today's fiscal climate, community colleges around the country are caught between a rock and a hard place. States are reducing (or at best holding steady) college funding while enrollment is rising rapidly — a function of laid-off workers seeking retraining and young people who in better times might attend a university. Colleges are hard-pressed to provide core instructional services to the students knocking on their doors, let alone tackle the broader rural development agenda advocated by this paper. Yet it is exactly this agenda — a commitment to economic development, workforce training, educational access, and technology — that can help state economies rebound from the current downturn and build long-term prosperity.

The Rural Development Challenge

In seeking to build economic opportunity, rural communities face a universal dilemma: a community cannot attract or develop jobs without an educated workforce, but it cannot retain educated workers without a healthy economy. Community colleges are uniquely positioned to address both sides of this dilemma, by building the foundation for a stronger economy and providing access to education and workforce training.

The Rural Community College Initiative

A dual emphasis on economic development and educational opportunity is at the core of the Rural Community College Initiative (RCCI), a program funded by the Ford Foundation that helps community colleges and tribal colleges in economically distressed regions move their people and communities toward prosperity. RCCI has shown the power of rural community colleges, working in partnership with their communities, to build the foundation for a stronger economy, improve education, and develop civic capacity. The Initiative's demonstration phase, managed by MDC Inc. from 1994 through 2001, offers state policymakers many examples of traditional and nontraditional ways in which rural community colleges can improve economic opportunity for people and communities.

In the realm of community and economic development, for example, RCCI colleges have formed partnerships with others in their communities to build civic capacity by creating new organizations, such as community development corporations and community foundations; spearheading regional planning efforts; and broadening the base of local leadership. They have introduced new ways of thinking about economic development in places that had been isolated from cutting-edge ideas. RCCI colleges have directly supported the start-up and success of local businesses through entrepreneurship education, small business assistance centers, and innovative business incubators. They have developed new relationships with local industry to provide workforce training, and they have led regional development efforts such as cultural tourism that build on local assets.

In the realm of educational access, RCCI colleges have partnered with K-12 schools to prepare young people for college. They have provided educational support to low-income families and have reached out aggressively to under-served, low-literacy populations. They have improved developmental studies instruction to ensure that more students succeed in college programs. And they have brought new educational opportunities to isolated communities through distance learning.

Lessons for State Policy

RCCI has shown that rural community colleges, when empowered to innovate, can be catalysts for rural development. Economically distressed regions and their states would benefit if more community colleges assumed the leadership roles demonstrated by RCCI.

Many states encourage and fund their colleges to take on pieces of the RCCI vision — for example, providing assistance to small business, entrepreneurship education, or workforce training linked to new job opportunities; offering distance education classes to remote high schools; or working with K-12 schools to raise college-going rates for low-income youth. But there is no state where core funding adequately supports the aggressive access and economic development activities demonstrated by RCCI. Furthermore, many rural community colleges face challenges even in fulfilling their core functions.

Rural America has more than 700 public community and tribal colleges, of which one in four serve economically distressed regions. While they share many characteristics with their urban and suburban counterparts, rural community colleges face unique challenges. Most are small, lacking the economies of scale of larger colleges. Most depend partly on local funds, and many are located in communities with a low tax base and a low ability to pay. Many serve large, sparsely populated areas, increasing the difficulty of service delivery. And many are located in areas with long-standing race and class divisions where unified, visionary leadership is scarce.

State policymakers must not ignore the widening divide between poor rural areas and urban/suburban America. Median household income in nonmetropolitan counties is $12,000 below the metropolitan median. The nonmetro poverty rate hovers two-and-a-half percentage points above the metro rate, and nearly one in four nonmetro counties suffers "persistent poverty" — a poverty rate above 20% in every decade since 1960. Educational attainment remains low in rural America: there are more high school dropouts and far fewer college graduates than in metropolitan areas.

The national economic slowdown of 2001-02 brought devastating job losses to rural regions with manufacturing-based economies. The low-wage, low-skilled industries that were concentrated in rural America (especially in the rural South) had already been weakened and downsized by foreign trade and technological change, and now they are shutting down for good. Even in predominantly urban states, leaders must recognize that when rural economies languish, the whole state suffers.

Strategic investments in community colleges can help revitalize distressed rural areas. Rural community colleges are uniquely positioned to improve social and economic conditions in their regions, and policymakers should provide the resources and policy support they need to be effective catalysts for rural development.

Economic and Community Development:

Beyond Education and Training

Community colleges are well recognized for providing education and training vital to the development and growth of their service areas. They enhance their regions' competitiveness by providing workforce training for local businesses. They help their communities attract and grow successful businesses by encouraging a strong education ethic, providing cultural amenities, and encouraging innovation.

Some rural community colleges go beyond education and training to play other important roles in support of local economic development. They are strengthening the foundation for economic development in their communities and regions by building civic capacity, promoting a regional approach to economic development, and supporting small business development. If states gave their community colleges a broader mandate for economic and community development, rural colleges could have an even greater impact on their regional economies.

Moving Mountains

Mountain Empire Community College in Big Stone Gap, VA, illustrates the potential of community colleges as conveners to build civic capacity for economic renewal. In 1999, the college/community RCCI team organized an economic summit, "Moving Mountains," where over one hundred citizens gathered to learn about successful economic development approaches around the country and engage in discussions about their own region's assets and challenges. The summit served as a first step in generating ideas, energy, hope, and a new sense of regional solidarity in this depressed coal mining area.

In the same year, the college organized two study trips to introduce community leaders to successful economic and community development efforts, in Chattanooga, TN, and Tupelo, MS. Those experiences generated further ideas for community renewal. The summit and study trips became springboards for the formation of community task forces working on a variety of projects, from a business incubator to restoration of historic buildings to new community leadership programs. Currently the college is taking the lead in creating a community foundation to raise funds to support the new development initiatives.

Civic Capacity-Building

Increasingly, the notions of "civic capacity" and "social capital" are helping people understand what makes for healthy communities and strong local economies. Civic capacity refers to the vitality of local leadership and local government, citizen involvement in civic affairs, the breadth and capabilities of community organizations, and related factors. Social capital encompasses the relationships, networks, and bonds of trust among people that facilitate problem-solving and collective action within a community.[3]

Community colleges can play critical roles in building these essential underpinnings for healthy communities and strong local economies. As widely trusted, politically neutral, community-based institutions, they can act as conveners, bringing together leaders from business, government, education, and other community organizations to chart a common vision for their community's future.

Partnership for Rural Improvement

Since 1976, rural communities in Washington State have benefited from a unique partnership between community colleges and the Cooperative Extension Service. The Partnership for Rural Improvement (PRI) aims to help communities solve problems and to assist educational institutions and public agencies in providing rural development services. PRI supports a staff position dedicated to community development work at several of Washington's rural community colleges. PRI staff are hired by their host community college, and their work is guided by a local advisory board. Their salaries are paid jointly by their college and the Extension Service.

The Partnership for Rural Improvement has initiated a wide range of rural development and civic engagement efforts, including regional planning, facilitating public forums, and organizing workshops for leadership development and conflict management. The PRI capitalizes on the strengths and resources of community colleges and the Extension Service in support of civic capacity-building and rural development. It is a model worthy of examination by other states.

States should encourage rural colleges to play that role, especially in places that lack other "common ground" institutions capable of bringing people together across sectors, across town or county lines, and across race and income groups.

Rural communities often are held back by the small numbers and homogeneous makeup of local leadership; expanding the leadership base can bring a community new energy, new ideas, and new directions. Some RCCI colleges designed and operated leadership development programs that brought new voices to the table — including young adults, lower-income people, and racial and ethnic minorities — and prepared them to work collaboratively for change. In many RCCI sites, community college administrators, faculty, and students themselves began playing more active leadership roles in their communities.

If policymakers really want their colleges to serve communities, they need to think more broadly about what constitutes service and set policies that reinforce and reward service activities. Service learning — where students apply academic knowledge and critical thinking skills to community needs — is an excellent vehicle for involving students and faculty in community affairs that are related to their coursework. Currently, about half the nation's community colleges offer academically based service learning opportunities. However, many of these programs have limited scope, relying on the initiative of a handful of faculty members who arrange placements for their students. To make service learning more widely available across departments, many colleges employ a full-time or part-time paid coordinator. At least one state, California, has funded service learning at its community colleges, covering the cost of coordinators at half of the state's 50 campuses that offer service learning. However, when the state budget tightened in 2002, that funding was eliminated. In Florida, the state legislature provides funding for the Florida Campus Compact, a membership organization of colleges and universities involved in service learning and civic engagement. States should support this form of hands-on learning both for the learning experience it offers students and for its benefits to the community.[4]

By definition, any effort to build civic capacity must be collaborative. To foster such collaboration, states should encourage community colleges to work in partnership with local governments, chambers of commerce, the Cooperative Extension Service, regional universities, nonprofit organizations, and the other institutions that make up the civic infrastructure of rural communities.

Regional Development

In the past, towns and counties often have viewed economic development as a competition for recruiting new industry. In today's economy, that strategy is no longer viable. The incentives that communities must offer — from tax abatements to publicly funded infrastructure improvements — too often outweigh the benefits that the new industry brings. It is in the long-term collective interest of rural jurisdictions to work together to maximize their regions' competitiveness by pooling resources, identifying common assets, and setting shared goals. Rural counties located near metropolitan centers also can benefit by working in partnership with their urban neighbors. A number of states, recognizing the counterproductive nature of local competition in economic development, now encourage and fund regional partnerships.

In states where rural colleges serve multicounty areas, they are ideal conveners to initiate regional planning efforts. Some rural colleges have brought together leaders from multiple counties to create a regional vision where economic development had been seen strictly as a local county and town function. States should encourage their community colleges to take leadership roles in regional development, particularly where colleges serve multicounty areas.

Some states have taken a strategic approach to regional development, targeting industry sectors with potential for growth in certain regions and designating particular community colleges to develop the technical expertise those industries need. The colleges design new curricula, deliver specialized workforce training, and provide technology assistance to businesses. Washington State, for example, encourages colleges to identify key industries and occupations in their region and to build regional partnerships to strengthen key sectors of the economy. The state funds this work through its Economic Development Strategic Plan, which combines all workforce programs into a single block grant to colleges.

Community College Leadership for Regional Development

When Southwest Texas Junior College joined the Rural Community College Initiative (RCCI) in 1994, it was an academically oriented institution with dormitories, a rodeo team, and an outstanding record in college transfer. The college served a large, multicounty area with a high poverty rate and a mostly agricultural/ranching economy, with few jobs for college graduates. Recognizing the need to create new economic opportunities, the RCCI college/community planning team pushed the college to expand its mission to include regional economic development.

The college's first foray into regional development was to sponsor a unique "case competition" in which students from four universities studied the regional economy and recommended strategies for economic development.[5] This in turn led the college to play a lead role in a regional planning effort with several towns and counties that had not previously collaborated on economic development. The planning process resulted in the region's designation by the U.S. Department of Agriculture as a rural Enterprise Community, giving it priority status for federal grants. Later, in 2001, the region was named one of just a handful of rural Empowerment Zones nationwide, making it eligible for even more federal assistance. By helping regional leaders create a common vision and goals, the community college filled a leadership gap and brought new energy and new resources to this high-poverty region.

Small Business Development

Small businesses are an important part of the rural economy, and some states, along with the U.S. Small Business Administration, fund training and counseling to help small businesses succeed and grow. In several states, community colleges operate federally funded Small Business Development Centers (SBDCs). In at least one state — North Carolina — the community college budget funds a small business assistance center at every community college.

Small business assistance programs vary widely in scope and effectiveness, depending on their staff, their ability to tap professional expertise in the community, and their outreach to local business owners. Effective small business programs can make the difference in the success of an aspiring entrepreneur. These programs use college courses (credit or noncredit) and one-on-one technical assistance to help new entrepreneurs assess the market, develop a solid business plan, and obtain adequate financing. They also assist existing businesses in expanding their markets, earnings, and employment.

Some rural community colleges have expanded their support for small business development beyond operation of a small business center by helping to create business incubators or new business financing programs. Others have worked with state agencies to initiate microenterprise programs that help low-income people (including welfare recipients) become gainfully self-employed. Efforts like these deserve recognition and encouragement from the state.

Entrepreneurship education is a related function for which community colleges are extremely well suited. In high-poverty rural regions, there is a dearth of role models who can show young people that becoming a business owner is a viable option. Entrepreneurship programs at the high school and college level help students assess their interest and ability for business ownership, and then teach the necessary skills.

There is growing interest in entrepreneurship education. The Kauffman Foundation estimates that 300 community colleges around the country offer a certificate or degree in entrepreneurship. Many more offer workshops or short courses.

A few innovative colleges have integrated entrepreneurship instruction into their vocational and technical curricula to give students in cosmetology, horticulture, website design, and other fields the skills they need to start a business when they graduate. But this is a new educational arena for community

State Support for Small Business Assistance

Southeastern Community College in Whiteville, NC, illustrates how a combination of state support and local leadership can create a nurturing climate for small business development. Since the 1980s, the NC Community College System has provided modest funding for a Small Business Center at each of the state's community colleges. In 1992, Southeastern stepped up its involvement in business development by partnering with the local rural electric co-op to open an incubator for fledgling businesses. The co-op owns the building, and the college provides administrative support and technical assistance through an on-site manager. The college/co-op partnership later opened a second incubator in the county. Besides supporting Small Business Center activities related to the incubator, the state was instrumental in removing legal barriers that previously had prohibited colleges from operating business incubators.

Around the same time the incubator was starting up, the North Carolina Rural Economic Development Center initiated a microenterprise loan program to test different models of lending and support for very small businesses. Southeastern Community College's Small Business Center applied and was selected to operate a program. The microenterprise program has continued to receive support from the state's Rural Economic Development Center, and has provided training and micro loans to over 200 people — mostly low-income and minority women — many of whom now operate successful small businesses.

colleges. Few faculty have experience as entrepreneurs, and standard business textbooks are not tailored to this student clientele. States can help by connecting their colleges to national resources on entrepreneurship education, including REAL Enterprises (which currently provides curriculum and faculty development to community colleges in fourteen states) and the Kauffman Foundation.[6]

Economic and Community Development: Questions for State Leaders

- Does the state encourage rural colleges to act as civic conveners in their communities and regions?
- Are community service and service learning promoted and rewarded?
- Does the state look to rural colleges as important partners (and potential leaders) in regional development initiatives, including sectoral strategies?
- Does the state rely on community colleges to nurture small business development, for instance by operating small business assistance centers, teaching entrepreneurship skills, and providing support for microenterprise?

Access to Education:

More than an Open Door

A paper presented to the Rural Virginia Prosperity Commission in 2000 laid out three choices for rural communities: continue to lose more citizens to urban areas, continue to receive subsidies from income earned in urban areas, or find ways to grow their own economies.[7]

Clearly, the last choice is the preferred option. The recommendations of the Virginia Commission make it clear that assistance to rural communities must proceed along several fronts simultaneously. A key dimension is building human capital — increasing citizens' education, skills, and awareness of opportunities — as the foundation for strong rural economies.

Throughout much of rural America, education and work-relevant skills are weak.[8] Community colleges offer the most accessible option for improving the education and skills of adults of all backgrounds, including high school graduates, dropouts, current workers, dislocated workers, and older adults entering the workforce for the first time. Most states have given their community colleges a broad mission to serve all these populations, but responding to their

diverse needs is not easy. What policies will ensure that community colleges can fulfill this ambitious challenge?

Improving educational access in rural communities hinges on a more equitable distribution of state and local funds to small, rural community colleges, as discussed in the Funding section of this paper. Without adequate financial resources, these colleges simply cannot get the job done. However, other considerations are also important in enabling community colleges to meet the education and training needs of rural America.

Keeping College Affordable

Low tuition and fees are essential to preserving access. Community colleges, particularly those in rural areas, enroll large numbers of low-income students who are disproportionately affected by increasing tuition costs. Tuition and fees have risen significantly over the last two decades, and the current state budget crisis is only accelerating the pace of tuition hikes. Federal financial aid has failed to keep pace with these rising costs, particularly for students enrolled on a part-time basis and those who are reluctant to borrow heavily. Furthermore, rural community college students face significant expenses which federal aid formulas do not consider, including transportation and child care. Increases in tuition and fees can place college attendance beyond the reach of many rural students.[9]

Opening Doors for Immigrants

West Hills Community College, in California's San Joaquin Valley, shows how a rural community college can expand education and career opportunities for first-generation Americans. In 2002, it was one of two community colleges nationwide to win a MetLife Foundation award for excellence in promoting educational and economic advancement for underserved youth and adults.

Eighty percent of the population in West Hills' service area are immigrants, including many migrant farmworker families, and the community has almost no tradition of postsecondary education. Recognizing that the needs of its students and community required innovative strategies, the college has allocated as much as 30 percent of its budget to new and creative programs. For example, the college does aggressive bilingual outreach to K-12 schools and operates bilingual programs for out-of-school youth — efforts that have helped to double college enrollment in six years. It created a van service to serve the many people in its service area who lack transportation. It has invested heavily in English as a Second Language (ESL) instruction, using creative strategies to ensure that ESL students are able to advance to credit and career programs.[10]

Serving a Diverse Population

As the population ages and becomes more culturally diverse, states must ensure that their community colleges are equipped to serve an ever-expanding student body that includes older adults, people with disabilities, and students of all racial and ethnic groups. This means creating welcoming, accessible campuses with faculty and staff who understand and respect students' varying backgrounds and cultures.

Today, in many parts of the country it is particularly urgent to ensure that colleges have the mandate and the resources to provide education for recent immigrants. Needed programs may include outreach, language education, and sensitizing faculty and staff to foreign cultures. As the demographic makeup of America changes, community colleges are a key institution that can integrate all kinds of people into our society, workforce, and civic life.

Community colleges operate under an open-door admissions policy, but too often educationally and economically disadvantaged students experience a revolving door. Colleges must create internal pathways and support systems to give disadvantaged students every possibility of acquiring the base of knowledge and skills they need for employment and self-sufficiency. This calls for flexible course schedules as well as adequate resources for counseling and individual assistance — functions that are woefully underfunded. At least one state — New Jersey — has a special fund for support services designed to increase disadvantaged students' chances for success. It covers basic skills testing, academic and financial advisement, personal and career counseling, tutoring, and remediation.[11]

For many rural citizens, lack of transportation is a real barrier to attending community college. Rural areas generally do not have public transportation systems, and even if one has a car, the long travel time from home to work to school can make college attendance prohibitive. State policymakers should consider several options to make community college courses more accessible to rural residents: offering distance education; teaching some courses at satellite

campuses in rural communities; and spearheading innovative transportation schemes such as repairing older cars in the college's auto shop and selling them at cost to low-income students.

Outreach to Youth

Policymakers should ensure that community colleges and public schools within their service areas work collaboratively to improve young people's preparedness for college. Programs that reach out to middle school and high school students, introducing them to the college and encouraging them to take academically challenging courses, have proven effective. Such initiatives are especially important in rural areas with historically low college-going rates.

Strategies that deserve state support include: collaboration between community colleges and high schools on curriculum, articulation, and college counseling; campus visits and college-run enrichment programs for middle and high school students; dual enrollment programs; and programs that target middle school students who may not be planning to attend college, providing mentoring throughout secondary school and scholarships to community college.

An additional strategy currently receiving national attention is the "middle college," a high school for at-risk students housed on a community college campus. This model was piloted in urban settings but may have potential in rural communities as well. By giving students more freedom than a conventional high school, a sense of responsibility for their own education, and an academically stimulating environment, it encourages them to complete high school and go on to college.

Remediation and Basic Skills

State policy must ensure that rural community colleges are equipped to serve students with academic deficiencies, including high school graduates with rusty skills as well as adults and youth who seek to continue their education but lack a high school diploma. It is estimated that if just one-third of students taking remedial classes at community colleges went on to earn a bachelor's degree, they would generate $74 billion in federal taxes and $13 billion in state and local taxes, all for a modest $1 billion investment in remedial instruction.[12]

Funding formulas should provide sufficient resources for developmental education, literacy and basic skills education, GED or high school completion programs, and English language instruction for foreign-born students. Currently some states, like Colorado, reimburse colleges for remedial instruction at a lower rate than credit courses. In contrast, as of 2000, Arkansas weighted remedial instruction at twice the reimbursement rate for general education.[13]

In addition, state policymakers should evaluate their strategies for delivering high-quality basic skills instruction, such as adult basic education and GED programs, to ensure that they respond to the needs and learning styles of adults. In most states, these programs are a responsibility of the public schools; in just ten states they fall under community college or technical college systems. However, in many states where the public schools are technically responsible for these programs, community colleges actually deliver the services under contractual arrangements. Policymakers should assess which arrangements are in the best interest of the students.

Access to Education: Questions for State Leaders

- **Is the state committed to keeping community college tuition and fees affordable to low-income students?**
- **Does the state encourage colleges to develop innovative, effective strategies to serve a diverse student population, including new immigrants?**
- **Do colleges have adequate staff and funding to provide counseling and support services?**
- **Are community colleges able to serve people in remote rural areas through satellite campuses, transportation assistance, and/or distance learning?**
- **Do community colleges and K-12 schools work in partnership to prepare more low-income youth for college?**
- **Do state funding formulas provide sufficient resources for developmental education, literacy, and basic skills instruction?**
- **Are adult basic education and GED programs operated in ways compatible with the needs and learning styles of low-literacy adults?**

Workforce Preparation:

A Critical Need in Rural Communities

There is virtually universal recognition that a highly skilled workforce is essential for competitiveness in today's economy. At the same time technology and telecommunications have increased productivity, they have effectively eliminated the significance of distance in the production, sale, and distribution of many goods and services. Many Americans have experienced the global redistribution of work directly through rapidly changing job requirements, downsizing, and plant closings. The dislocations wrought by technology on national economies, firms, and individual workers will be even more powerful in the 21st Century.[14]

Rural America has not been spared by the globalization of work. In regions with economies dependent on manufacturing and natural resources, the very survival of many communities is at stake. In the South, for example, textile and apparel employment fell from 1.1 million to 680,000 between 1986 and 2000, with even steeper declines in 2001-02. The impact is concentrated in small factory towns like Spindale, NC, which lost 42 percent of its property tax base when a mill closed in 1999. Stonewall, MS, a town of 1200, lost 800 jobs when its textile mill closed in 2002; Marion County, SC, had an unemployment rate above 14 percent in the spring of 2002, after losing 2,600 jobs over a three-year period.[15]

Today, job growth is concentrating in or near metropolitan areas with high education levels, cultural amenities, and up-to-date telecommunications infrastructure. Without access to cutting-edge education and training, much of rural America will find itself unable to adapt and compete in the new economy.

More than ever, policymakers recognize the critical role of community colleges in providing workforce education and training. A recent survey of state legislative leaders' views on higher education in the 21st Century found that "legislators consider the public two-year sector to be the most responsive overall to state education and training needs... public community colleges and technical schools are able to move faster and are more adept in responding to and accommodating changing enrollment demands."[16]

The Workforce Investment Act (WIA) calls on state policymakers to delineate the roles of workforce development agencies to enhance coordination of services. Community colleges are the public institutions with the greatest capacity to provide workforce education and training, and they should be designated clearly as the presumptive deliverer of these services.

There are three areas where state policy support is crucial: mandating collaboration among workforce development agencies; providing a funding mechanism that enables community colleges to train and retrain adults throughout their working life; and making training accessible to welfare recipients and the working poor.

Collaboration Among Workforce Development Agencies

Public officials and employers have long believed that closer collaboration among workforce development agencies is essential for better employment and training programs. Over the past two decades, both federal legislation and gubernatorial initiatives have attempted to mold public workforce programs into an efficient, smoothly running system. When community colleges and other workforce development agencies work in close collaboration — at the state and local level — their clients get better service and public dollars stretch further.

The most recent effort to promote collaboration is the Workforce Investment Act (WIA), which requires significant changes in the way employment and training programs are delivered. WIA may push states to make significant progress toward the vision of a smoothly running workforce system, but it faces some tough challenges.

One particular challenge in rural areas stems from the fact that WIA's Service Delivery Areas and Workforce Investment Boards are superimposed on the governance structures and service areas under which community colleges have operated for decades. A rural college may have a multicounty service area that overlaps with two or more WIA districts. Likewise, a rural WIA district may cover multiple counties which are served by several community colleges. This is not a new problem — the same situation occurred under the Job Training Partnership Act (the federal legislation that preceded WIA) — but it can make it difficult to coordinate workforce training programs.

In response, some states have debated whether to align the service areas of federal job training programs with

community college service areas. In many places, such proposals are highly controversial because of historic rivalries and turfism. Where overlapping and fragmented service areas are inevitable, it is essential for states to reduce any administrative barriers to collaboration across existing service area lines. And it is essential to offer colleges, Workforce Investment Boards, and other agencies incentives for regional collaboration.

Funding for Lifelong Education

Few would argue with a recent report on workforce education that noted, "Lifelong employment at the same institution is as out of style as gold watches at retirement."[17] Today, workers move frequently among employers, industries, and occupations. Many factors related to globalization, technology, and business management have contributed to this profound change in the experience of workers, which makes lifelong learning a necessity for working adults.

Workforce Instruction and Portable Credentials

As noncredit workforce education becomes more prevalent at community colleges, some educators are looking for ways to restructure it so it can provide credentials that are valued by employers and/or transferability to credit programs at the college. Some emerging models are hybrids that combine the advantages of credit programs (e.g., a sequence of courses leading toward a formal credential) and noncredit instruction (e.g., flexible, short-term courses without academic prerequisites). The goal is to expand opportunities for noncredit students to advance in the workplace while also making it easier and more attractive for them to enroll in college degree programs.

One innovative model is Kentucky's new Workforce Development Credit Conversion system, which gives colleges the flexibility to modify credit courses to meet shorter-term workforce training needs. These modified courses offer between 0.2 and 6 credits, depending on their length and intensity. Another model is Georgia's QuickStart Industry Training, which provides entry-level training for workers in manufacturing, customer service, and other fields. The training, offered at companies, technical colleges, and high schools, carries college credit which articulates into two-year degree programs.

At community colleges, the predominant vehicle for delivering lifelong learning is noncredit instruction, sometimes referred to as the "shadow college." More than five million Americans enroll in noncredit courses at community colleges each year.

When displaced workers or incumbent workers need retraining, they turn to their community college. This is particularly true in rural areas, where the college typically is the only training provider. Rather than enrolling in lengthy degree programs, workers frequently take short-term, noncredit courses. Employers are further fueling demand for noncredit instruction. They increasingly value performance-based certifications as indicators of specialized skills, and in the future they are expected to place even more emphasis on performance-based certifications and customized job training.[18]

Public funding for noncredit education and training varies greatly from state to state. A survey by the National Council for Continuing Education and Training indicated that about half of the states provide some form of funding for workforce training programs, either to community colleges or other agencies.[19] Similarly, a survey by the Community College Policy Center at the Education Commission of the States (ECS) found that 21 states provide funding for noncredit enrollment.

In states that fund only credit programs — thereby requiring that noncredit courses be self-supporting — workforce education suffers. First, colleges generally must charge higher fees for their noncredit offerings. This has the effect of limiting access by low-income students, in part because federal student aid is not available to students enrolled in noncredit programs. In addition, poor economies of scale make it difficult for rural colleges to develop self-supporting workforce training programs in their small markets. When a rural college develops a new course to meet the need of a local employer, it has difficulty recouping the development costs because the market for the course is limited.

States should provide adequate support for noncredit, short-term, and job-related training through their community colleges, and that support should take into account the inherently higher fixed costs faced by rural community colleges. To operate responsive workforce training programs, small, rural colleges not only need state reimbursement to meet the direct costs of noncredit instruction — they also need funding for staff to develop new courses that meet local needs. States should consider mechanisms to tap

employers to pay part of the cost. Expanding and equalizing support for flexible skills training — which will be essential for tomorrow's workforce — should be a priority for state legislatures.

Training for Low-Income Adults

Welfare recipients and the working poor have a special need for affordable, accessible education and training programs that can open the door to living-wage employment. They need not just low tuition, but also flexible course schedules and short-term programs that they can sandwich between work and family responsibilities.[20]

Proven "best practice" models include: integration of literacy with vocational instruction (e.g., Vocational English as a Second Language, or VESL classes); programs that provide intensive support services, including follow-up with students after they get a job; and articulation of noncredit courses with degree programs, so students who so desire can continue their formal education more easily. There is increasing interest in "career ladder" programs like the one piloted at Shoreline Community College in Seattle. In partnership with employers, that college identified the skills needed for a worker to advance from entry-level to mid-level to advanced positions in four sectors: information technology, health care, manufacturing, and customer relations. The college designed a progression of courses to teach the needed skills, and it provides counseling to help students set career goals and develop a plan to reach their goals through a combination of work and education.[21]

Innovative certificate programs are another strategy for making workforce training more accessible to disadvantaged students. For example, Colorado's State Board for Community Colleges and Occupational Education has developed an Essential Skills Certificate that allows students to earn credit for work in customized training programs. The certificate helps community colleges integrate academic, remedial, and workforce instruction.

Both Washington State and California provide models for making community colleges responsive to the training needs of welfare recipients and workers who have recently left the welfare rolls. Washington's Work First Reinvestment Program uses state welfare savings to fund training programs that help recent welfare recipients, now employed, to upgrade their skills and advance to better jobs. State funds are available to community colleges to redesign curricula into short-term modules geared to job-seekers and workers seeking advancement.[22] Similarly, California's CalWorks program supports the development of curriculum for short workforce training courses at community colleges; it also provides free child care at community colleges for welfare recipients.[23]

There are other state models as well for the flexible use of TANF funds to promote education and training for welfare recipients. For example, Kentucky's "Ready to Work" program on community college campuses provides case management and support for welfare recipients enrolled in college courses. Louisiana has set aside TANF surplus funds for tuition assistance for welfare recipients attending community and technical colleges.

Other state policy decisions that can enhance education and employability options for welfare recipients include: allowing welfare recipients to attend college for more than 12 months (in 2001, half the states permitted this); providing work-study opportunities for welfare recipients who attend community college; and "stopping the clock" for welfare recipients in approved postsecondary programs — i.e., not counting this time against their lifetime limit for receiving welfare benefits. The latter is a relatively easy step for states to take, requiring only a petition for a federal waiver.[24]

Workforce Preparation: Questions for State Leaders

- **Does the state designate community colleges as the presumptive deliverer of workforce education and training?**
- **Does the state workforce system encourage collaborative arrangements among all workforce development partners, including community colleges, the Employment Service, and federally mandated Workforce Investment Boards?**
- **Does the state fund noncredit workforce instruction?**
- **Do state policies enable welfare recipients and the working poor to enhance their employability through education and training programs at community colleges?**

Technology:

Level the Playing Field for Rural Colleges and Communities

The Internet has become an essential tool of our information society. It is both a means of communication and a medium for the sale and distribution of services, including education. With the spread of broadband and wireless technologies, the Internet is bringing down the barrier of distance in education as it has in the business world. Yet, although the Internet is widely used across America, low population density and low business activity have slowed deployment of affordable high-speed telecommunication networks in many rural areas. And resource-poor colleges find it difficult to keep up with fast-changing technology. It is imperative to integrate rural communities into America's information network.

Affordable Internet Access for Rural Communities

The telecommunications revolution has significant implications for both education and rural development. Affordable, high-speed telecommunications access (and people who know how to use it) can help rural communities overcome two barriers that have limited their competitiveness in the past — time and distance. With instant communications, a company can choose to locate anywhere it finds smart workers.

The rural development panels created by several states in the late 1990s noted the critical importance of affordable telecommunications to the long-term economic viability of rural areas. They urged their states to equip rural people, institutions, and businesses to take full advantage of telecommunications technology. In effect, these panels called for a continuation of the national policy established in the 1930s that ensured all Americans — rural as well as urban, poor as well as rich — universal access to essential telecommunication services.

The North Carolina Rural Prosperity Task Force, for example, found that the monthly fee for a high-speed T-1 Internet connection in some rural areas averaged $2,000 a month, a cost much higher than in the state's metropolitan areas. The General Assembly responded by creating the Rural Internet Access Authority, funded at $30 million, to promote Internet access across the state. The Authority is a quasi-public institution, guided by a 21-member commission. To date, its activities have included: producing an inventory of the state's telecommunications infrastructure; identifying Internet service providers statewide; making grants to service providers to deploy affordable, high-speed technology to rural areas; and developing a grants program to create four model telecenters.

Similarly, Virginia has committed $2 million of tobacco settlement funds for fiber-optic infrastructure to connect rural communities along the Highway 58 corridor, the state's tobacco farming region. This infrastructure will create on- and off-ramps to the information highway for rural businesses, institutions, and individuals. The pilot stage of the project is almost complete in Danville and Pittsylvania County, where a local nonprofit organization owns the infrastructure and will make it available to providers of voice, data, and video services. The shared infrastructure will enable telecommunications providers to offer a level of services that until now has been limited to metropolitan areas, and to offer those services at affordable prices.[21]

Rural College as Catalyst for Community Telecommunications

In the mid-1990s, residents and businesses in Garrett County, MD, like many rural communities, lacked access to low-cost Internet service. Garrett Community College created a nonprofit telecomunications cooperative to provide Internet and Wide Area Network access to its service area. With hardware housed at the college, Garrett Rural Information Cooperative (GRIC) began providing Internet access, high-speed ISDN lines, and videoconferencing facilities, as well as hosting web pages for local businesses.

The impact of these services was seen quickly, as local businesses began attracting national and international customers, local hotels attracted more bookings, and a software company decided to locate in Garrett County. Within a few years, GRIC had become an independent, self-sustaining organization with over 2,500 members. The college has gone on to expand its workforce training programs to support information-based businesses. It also has built a business incubator geared to information-intensive businesses.

Up-to-Date Technology for Rural Colleges

High-speed connectivity is essential for rural community colleges, but it is not sufficient. Besides access to the information highway, rural colleges need the resources to maintain their technological capacity. They must keep equipment current, employ high-skilled staff to maintain computer networks, and provide professional development opportunities that empower faculty and staff to utilize technology to its full potential. In most states, funding formulas have not caught up with these new needs.

Distance education can be a powerful tool in sparsely populated rural areas. With the proper infrastructure and know-how, community colleges can provide advanced courses to rural high schools; they can offer college courses to students in their homes, at satellite campuses, and workplaces; and they can make bachelor's and graduate-level courses available on their campuses. But developing high-quality distance learning courses is both a staff-intensive and expensive process, and few small colleges have the resources to fully take advantage of this technology. State community college leaders should consider ways to assist small colleges in acquiring the needed equipment and developing appropriate courses. States should provide incentives for larger colleges, with greater technology and staff resources, to collaborate with small colleges in the development of distance education courses.

Technology: Questions for State Leaders

- **Do rural areas have the telecommunications infrastructure required to support distance education? Is high-speed Internet access available and affordable in remote, rural areas?**
- **Is a public or quasi-public agency charged with responsibility for extending affordable Internet access to rural communities?**
- **Do small, rural colleges have the resources they need to maintain their technological capacity?**
- **Do small, rural colleges have the resources to develop distance education courses and programs, where appropriate?**

Funding:

Flexible, Fair, and Supportive of Innovation

State funding policies are central in enabling rural community colleges to address the needs of their service areas. Most community college presidents see adequate financial resources as the most critical of all policy considerations. While community colleges have always demonstrated a remarkable ability to "do more with less," policymakers can no longer ignore the fact that without adequate funds, community colleges — and especially those in rural, distressed areas — cannot serve essential community needs.

Base Funding

Economies of scale give large colleges advantages over their smaller counterparts. Yet small, rural colleges serve an important function by making education and workforce training accessible to citizens in sparsely populated areas. If small colleges were consolidated into fewer, larger institutions, some efficiencies would be realized, but those efficiencies would be overshadowed by the loss of access for residents of isolated communities. To preserve accessibility and ensure equity in the services available to rural students, state funding mechanisms should offset the economic disadvantages faced by rural community colleges that result from their small size.

The most direct approach to achieve these policy ends is for states to provide a "floor" of base funding that covers fixed administrative and instructional support costs irrespective of institutional size. North Carolina includes such a mechanism in its funding formulas for community colleges. South Carolina uses different mechanisms to ensure the viability of its rural institutions. Its funding formula takes into account enrollment in allocating instructional funds among the state's technical colleges; it also uses an "economy of scale factor" in allocating administrative, student support services, and library funds.

Equalization Funding

In the 26 states where community college funding is partly a local responsibility, state policy should

Base Funding Keeps Small Colleges Viable

More than a quarter of North Carolina's 58 community colleges have full-time equivalent (FTE) enrollment below 1,000. The state's "base allotment formula" helps sustain its small institutions by offsetting some of the economies of scale enjoyed by larger colleges.

An analysis of the 1999-2000 budgets of three colleges — one small, one medium, and one large — illustrates the impact of the formula. In that year, North Carolina's colleges received a uniform base allotment for their first 750 FTE of approximately $2,049 per FTE. For the small college the base represented approximately one-third of its total budget. For the large college, the base allotment was less than five percent of the total budget. This mechanism not only enables the state's smaller, rural colleges to cover their fixed costs, but it also provides a degree of protection against unexpected enrollment fluctuations, which have a disproportionate impact on the budgets of small institutions.

North Carolina's Base Allotment Formula, 1999-2000:

Impact on a Representative Small, Medium, and Large College

Size	FTE	Total Budget	Base Allotment	Percent of Total Budget
Small	964	$4,577,370	$1,536,710	34%
Medium	3,187	$12,800,823	$1,536,710	12%
Large	8,001	$29,807,320	$1,536,710	5%

recognize that the "ability to pay" varies widely among taxing districts. Even when they apply high tax rates, rural, poverty-stricken districts simply cannot generate as many local tax dollars as high-wealth districts. The playing field will never be level when a significant portion of a rural college's funding depends upon property taxes derived from a weak tax base.

To counter this inequity, some states have enacted funding models to equalize funding across community college districts. Nebraska, for example, adopted the Community College Property Tax Relief and Equalization Program in 1997. The legislature appropriates funds to provide tax relief and equalization for community college districts that are not able to raise at least 40 percent of their operating revenues even when they apply the maximum local property tax levy.

Disparities in the wealth of community college districts can affect access to education as well as the extent and quality of college programs. A recent study by the ECS Community College Policy Center found that dramatic variations in property tax valuations across a state can lead to large disparities in tuition rates among communities, as low-wealth districts are forced to raise tuition and fees to meet basic budget needs.26 As a result, a poor resident living in a poor district may pay more than a wealthy student residing in a wealthy district for the same community college education.

In K-12 education, litigation has forced several states to address the inequities among school districts by providing equalization funding to low-wealth districts. Although the specific legislative and state constitutional mandates for the funding of public schools and community colleges may differ, the same principle applies: funding systems that result in unequal access and opportunity violate the state's mandate to provide equal education for all its citizens.

Greater equity for low-wealth community college districts might be achieved by reducing reliance on local dollars and increasing state support. However, it is not necessary (and may not be advisable) to abandon local funding altogether in the interest of equity in community college programs and services. Property tax revenues provide a more stable and predictable income stream than either income tax or sales tax, and can thereby insulate community colleges from the full effect of state budget cuts that are inevitable in periods of recession.

Capital Funding

Many community colleges, particularly those in rural areas, have buildings that are approaching the end of their useful life or will require extensive renovation in the near future. Four decades ago, when community colleges were being established at a rapid pace, many states relied on federal grant programs such as the Higher Education Facilities Act for construction funds. Today, aside from relatively modest grants for technology, few federal funds are available to construct buildings. In most states, community colleges depend on locally generated funds for the construction and renovation of buildings. Consequently, community colleges serving low-wealth rural areas struggle to keep their facilities up-to-date. The critical need to incorporate technology into college facilities only increases this pressure.

Innovation Grants

RCCI demonstrated what can happen when rural community colleges have access to a relatively small pot of funding for innovative, community-oriented projects. Several college/community teams identified important gaps that impeded educational or economic progress in their communities, and then created new community organizations to address them. The new organizations included community development corporations (CDCs), coalitions to improve education, and even a community foundation.

Meridian Community College (Meridian, MS), for example, mobilized citizens for MathFirst, an ambitious community effort to improve public education at all levels, from early childhood through adult. With a small RCCI grant as seed money, the MathFirst coalition raised over a million dollars for innovative education projects ranging from a new K-12 math curriculum based on real-world problem-solving, to revamping of developmental classes at the college.

The flexible staff position provided through RCCI funding enabled Southeast Community College (Cumberland, KY) to address a serious barrier to business development in its community: the lack of capital for new and small businesses. The college/community RCCI team worked with local banks to create the Pine Mountain Community Development Corporation, which makes loans to local businesses. It also works with business development programs in the larger region to bring more business capital to southeast Kentucky.

Twenty-nine states provide some capital funding to their community colleges for renovations and improvements.[27] In a time of tight budgets, states will have to become creative to meet their community colleges' pressing need for capital funds. In addition, national policymakers should reexamine the federal role in maintaining high-quality facilities on community college campuses. There is an unmistakable link between state-of-the-art facilities and the quality of education and training. Given the importance of preparing a 21st Century workforce, it is essential that both state and federal policymakers address the issue of community college facilities.

Funding for New Initiatives

Small, rural colleges typically lack the funding to plan and initiate special projects or new programs. Although virtually every community college now has a foundation to raise money from individuals, businesses, and philanthropy, rural community colleges face significant obstacles to fund-raising in their low-wealth communities. Most urban colleges can approach the senior management of large corporations for donations — particularly those with whom they have established a relationship by providing workforce training. Such opportunities are scarce in rural communities. Even in rural communities with large branch plants, decisions about corporate giving typically are made at headquarters in distant cities.

Rural community and economic development efforts could benefit tremendously if special funds were available to finance innovative initiatives and start new programs of study. Such up-front funding would enable colleges to plan and implement new programs that could foster local economic development. State boards or other state-level agencies should have discretionary funds for targeting special opportunities identified by community colleges in low-wealth rural areas.

In addition, rural colleges need to become more entrepreneurial at seeking federal and philanthropic dollars for new programs. Most rural colleges cannot afford to employ a grant writer who keeps abreast of new funding opportunities, but many have been successful nonetheless at winning competitive grants. State community college systems should do all they can to assist their rural colleges in seizing such opportunities. Simple strategies include offering professional development on grant writing for community college staff and keeping colleges informed about grant opportunities. Another approach is for state community college systems to provide consortia of rural colleges with staff support to identify and compete for grants. In addition, state offices could establish a competitive "matching fund" account that would be available to rural community colleges for grant opportunities that require a local match.

Partnerships and Collaboration

To help small, rural colleges improve their economies of scale, state policies should encourage or require neighboring colleges to collaborate on academic programs, staff development, technology enhancements,

and the use of purchasing groups whenever possible. At the local level, college leaders should also seek ways to create similar partnerships with neighboring institutions such as public schools or hospitals.

Some state legislatures have encouraged regional community college programs by mandating that the state program review and approval process assess the feasibility of neighboring colleges offering joint programs. This model deserves replication in more states. Regional collaboration is in the common interest of the state and its community colleges since it can bring about improved quality and breadth of course offerings in rural areas, along with significant savings.

Of course, such policies must be developed with the student in mind. Most community college students commute, and lack of public transportation in rural areas limits access, particularly for low-income students. In developing policies to achieve greater college efficiency through interinstitutional collaboration, the preservation of access should always be a major consideration.

Funding: Questions for State Leaders

- **Does the state provide a "floor" of base funding or another means to support fixed costs at small colleges?**
- **Does dependence on local property taxes cause some colleges to be substantially underfunded? If so, does the state offer assistance to level the playing field for colleges in low-wealth districts?**
- **Does the state aid colleges in low-wealth districts with capital financing?**
- **Is any start-up funding or grant-writing assistance available to help resource-poor colleges initiate special projects or develop new education and training programs?**
- **Does the state encourage and facilitate partnerships among small, rural colleges to help them achieve greater economies of scale?**

Governance:

Make Community Colleges Nimble and Responsive

Balancing State and Local Oversight

As the U.S. population becomes more and more urban and suburban, political power continues to shift away from rural regions. Without the counterbalancing influence of state-level governing boards and executive leadership, the unique interests and needs of small, rural colleges will be further overshadowed in state legislatures by their larger urban and suburban counterparts.

In addition to strong state-level governance, it is equally important that community colleges have strong local governing boards. While a state board should be concerned with broad policy issues and program/budget approval, local governing boards understand local concerns and ensure that colleges are responsive to community needs. A local board should shape the mission and vision of its college and be accountable to the public for delivery of needed programs and services.

Both state and local governing boards should exhibit diversity in membership, reflecting the composition of the citizens to be served by community colleges. With the rapid demographic changes taking place across America and the vital need in a democracy for public institutions to maintain credibility with all stakeholders, boards that reflect the population will become even more important in the coming years.

Balancing the governance responsibility of state and local boards is not easy, but it is essential. In any system with shared governance, the challenge is how to balance the oftentimes opposing forces that tug at state-level and local boards. State and local governing boards can minimize the inevitable tensions that arise from their differing interests by carefully delineating areas of responsibility, working toward a common vision of the community college's role in the 21st Century, and maintaining open communication.

Community Colleges, K-12, and Universities

Just as state and local governing boards must work in partnership, it is essential for community colleges to work collaboratively with public schools and four-year institutions. Most state policymakers advocate a "seamless" continuum of educational opportunities

for their citizens, but there are few models for seamless coordination among state-level educational agencies. Florida recently reorganized its education system, establishing a secretary of education and a single state board for governance of all levels of public education — public schools, community colleges, and universities. This bold and controversial move should be watched closely to determine its impact in smoothing the passage of students through all three levels of education.

While Florida's approach is unique in combining higher education and K-12 governance, several other states are testing different models for state oversight of their community colleges and universities. It seems that as a rule, community colleges operating under their own state governing board find it easier to be responsive to local education and training needs, compared with two-year colleges that are under the umbrella of a university system or a state economic development agency. The integration of two-year college systems and their separation from university systems — as was recently accomplished in Kentucky — seems to offer the greatest potential for serving community needs efficiently, particularly in rural communities where resources are at a premium.

Inevitably, states will structure their governance of higher education in many different ways; there is no single model that will be adopted by every state. The important thing for policymakers to consider is how to make their community colleges (including small, rural colleges) nimble, responsive, and entrepreneurial in serving their communities and meeting the rapidly changing education and training needs of business and industry. The placement of community colleges in the state's "organizational chart" will affect how well they can perform these roles.

Governance: Questions for State Leaders

- **Is governance shared by state and local boards, with each given appropriate powers?**
- **Does board membership reflect the diversity of the population?**
- **Does state governance of community colleges, universities, and K-12 encourage collaboration among all the levels of education?**
- **Do community and technical colleges have their own state system, separate from universities?**

Tribal Colleges:

Vital Partners for Rural Prosperity

A little over 30 years ago, the first tribal college in the U.S. was established on the Navajo Reservation in Arizona. Today there are 31 tribal colleges in twelve states. The education they provide is a key to social renewal, expansion of economic opportunity, and overall improvement in the condition of life on their reservations.

Tribal colleges are funded almost entirely by federal dollars (through the Department of the Interior), and they are severely underfunded, compared to non-tribal, public community colleges.[28] In 1999, funding from federal sources totaled slightly less than $3,000 per student, while community colleges received on the average about $4,700 per FTE in combined state, local, and federal funds. To make up for this shortfall in public support, most tribal colleges are forced to charge tuition that is high relative to the income levels in the communities they serve. In 1996-97, annual tuition and fees at tribal colleges averaged $1,950, more than 50 percent higher than the average at all public community colleges. Because of their persistent funding shortage, tribal college facilities are meager, equipment is frequently outdated, and faculty and staff salaries are significantly below those at other types of community colleges.

Yet, in the face of these disadvantages, tribal colleges are highly effective educational institutions. They serve many students who would not otherwise have access to college, and they enable many Indian students to transfer successfully to four-year colleges. No less importantly, they function as cultural centers for their tribes, and they can be effective agents for community and economic development on reservations.

To realize tribal colleges' full potential to improve life on Indian reservations, they clearly require and merit the commitment of significant new resources. The Congressional delegations from states with tribal colleges should make adequate federal funding for tribal colleges a high priority.

In addition, the legislatures of these states should follow the example of Nebraska and Montana, which reimburse tribal colleges for the education of non-Indian state residents. Were these students to attend a state-supported, rather than tribal college, the cost of their education would be underwritten by a state appropriation. Equity argues that a comparable appropriation should support the education of a state's non-Indian students who elect to enroll in a tribal college.

Arizona provides another good model for public support of tribal colleges. That state has appropriated funds for construction of facilities at Dine College, which serves residents of the 26,000-square-mile Navaho Nation through multiple campuses.

Conclusion

This paper seeks to draw attention to the plight of rural America and the critical role that community colleges can play in rural revitalization. It calls on policymakers to recognize the unique capacity of community colleges to strengthen their communities and build human capital, the cornerstone of a 21st Century economy.

Three words describe the pathway to a revitalized rural America: vision, planning, and leadership. State policymakers must work with rural leaders in creating a vision that integrates rural communities into the global economy. They must support local planning that draws on broad-based community collaboration, and they must encourage development of enlightened, effective local leadership.

Rural community colleges are ideally positioned — with their expertise in education and workforce development, their deep ties to the community, and their fundamental commitment to community service — to play a lead role in rural revitalization. The challenge for state policymakers is to provide resources and policy support that fosters an entrepreneurial spirit in their rural community colleges, enabling them to succeed in this vital undertaking.

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5 See *Stimulating Rural Economies: An Innovative Case Competition Model*, a video/print package produced for RCCI (http://www.mdcinc.org/rcci).

6 REAL Enterprises is an excellent resource for entrepreneurship curriculum and faculty training (http://www.realenterprises.org/). Another good resource for curriculum, student internships, and studies on entrepreneurship is the Ewing Marion Kauffman Foundation (http://www.emkf.org).

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The Rural Community College Initiative is a national program funded by The Ford Foundation to help community colleges in economically distressed regions move their people and communities toward prosperity. It supports aggressive and creative efforts to increase jobs, income, and access to education in rural communities. From 1994-2001, 24 colleges participated in the RCCI demonstration, which was managed by MDC and assessed by the American Association of Community Colleges. In 2002, RCCI began a new phase, directed by the Southern Rural Development Center and the North Central Regional Center for Rural Development.

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